

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et  
al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**TWENTY FIRST MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR  
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF  
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM  
JULY 1, 2020 THROUGH JULY 31, 2020**

Name of Applicant: FTI Consulting, Inc.

Authorized to provide Professional Services  
to: Official Committee of Unsecured Creditors

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to October 25, 2018

Period for which compensation and reimbursement is sought: July 1, 2020 through July 31, 2020

Monthly Fees Incurred: \$14,723.50

Monthly Expenses Incurred: \$70.00

Total Fees and Expenses: \$14,793.50

This is a: X monthly \_\_\_\_ interim \_\_\_\_ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from July 1, 2020 through and including July 31, 2020 (the “**Twenty First Fee Period**”) amount to:

Professional Fees	\$14,723.50
Expenses	<u>70.00</u>
<b><u>TOTAL</u></b>	<b><u>\$14,793.50</u></b>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$11,778.80
Expenses at 100%	<u>70.00</u>
<b>TOTAL</b>	<b><u>\$11,848.80</u></b>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Twenty First Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Twenty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Twenty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Twenty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Twenty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Twenty First Fee Period, as such fees and expenses may not have been captured to date in FTI's billing system.

## **NOTICE AND OBJECTION PROCEDURES**

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than September 29, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York  
September 11, 2020

FTI CONSULTING, INC.  
Financial Advisors to the Official Committee of  
Unsecured Creditors of Sears Holdings Corporation

By: */s/ Matthew Diaz*  
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**EXHIBIT A****SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**  
**SUMMARY OF HOURS BY PROFESSIONAL**  
**FOR THE PERIOD JULY 1, 2020 TO JULY 31, 2020**

<b>Professional</b>	<b>Position</b>	<b>Specialty</b>	<b>Billing Rate</b>	<b>Total Hours</b>	<b>Total Fees</b>
Diaz, Matthew	Senior Managing Director	Restructuring	\$ 1,085	2.7	\$ 2,929.50
Flubacker, Mark	Senior Director	Retail	755	7.2	5,436.00
Kim, Ye Darm	Senior Consultant	Restructuring	560	7.5	4,200.00
Shapiro, Jill	Consultant	Restructuring	415	5.2	2,158.00
<b>TOTAL</b>				<b>22.6</b>	<b>\$ 14,723.50</b>

**EXHIBIT B****SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD JULY 1, 2020 TO JULY 31, 2020**

Task Code	Task Description	Total Hours	Total Fees
14	Analysis of Claims and Liabilities Subject to Compromise	2.6	\$ 1,718.50
18	Potential Avoidance Actions & Litigation	13.4	9,800.50
24	Preparation of Fee Application	6.6	3,204.50
<b>TOTAL</b>		<b>22.6</b>	<b>\$14,723.50</b>

## EXHIBIT C

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**  
**DETAIL OF TIME ENTRIES**  
**FOR THE PERIOD JULY 1, 2020 TO JULY 31, 2020**

Task Category	Date	Professional	Hours	Activity
14	7/14/2020	Diaz, Matthew	0.5	Review filed second distribution notice.
14	7/14/2020	Kim, Ye Darm	0.4	Review Sears' notice of second distribution to administrative creditors.
14	7/17/2020	Kim, Ye Darm	1.7	Prepare comparative analysis of second distribution notice and prior estimates from the Debtors.
<b>14 Total</b>			<b>2.6</b>	
18	7/1/2020	Diaz, Matthew	0.6	Review open discovery documents.
18	7/1/2020	Kim, Ye Darm	0.9	Review Debtors' diligence responses and outstanding requests.
18	7/2/2020	Kim, Ye Darm	0.3	Draft response to Counsel re: diligence request list.
18	7/6/2020	Flubacker, Mark	2.1	Review March adjusted forecasts and compare to annual plans and results.
18	7/7/2020	Flubacker, Mark	1.3	Compare actual results to plan for each period to ensure comparability.
18	7/7/2020	Diaz, Matthew	0.5	Review responses to Counsel re: the complaint.
18	7/7/2020	Kim, Ye Darm	1.1	Review historical financial analysis re: budget/actual variances.
18	7/9/2020	Flubacker, Mark	3.8	Prepare revisions to peer sales and earnings comparison presentation.
18	7/9/2020	Kim, Ye Darm	0.9	Review analysis re: Seritage rights.
18	7/30/2020	Diaz, Matthew	0.6	Review open discovery issues.
18	7/30/2020	Kim, Ye Darm	0.7	Review diligence request list and draft correspondence to Counsel.
18	7/30/2020	Kim, Ye Darm	0.6	Review list of outstanding diligence items for high priority items.
<b>18 Total</b>			<b>13.4</b>	
24	7/7/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24	7/14/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24	7/21/2020	Shapiro, Jill	0.2	Prepare weekly fee estimate.
24	7/23/2020	Shapiro, Jill	3.5	Prepare June fee statement.
24	7/24/2020	Kim, Ye Darm	0.9	Review June fee statement.
24	7/24/2020	Shapiro, Jill	0.4	Revise June fee statement.
24	7/25/2020	Diaz, Matthew	0.5	Review June fee statement.
24	7/27/2020	Shapiro, Jill	0.2	Finalize June fee statement.
24	7/28/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
<b>24 Total</b>			<b>6.6</b>	
<b>Grand Total</b>			<b>22.6</b>	

**EXHIBIT D**

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**  
**SUMMARY OF EXPENSES**  
**FOR THE PERIOD JULY 1, 2020 TO JULY 31, 2020**

<b>Expense Type</b>	<b>Amount</b>
Other	\$ 70.00
<b>Grand Total</b>	<b>\$ 70.00</b>

**EXHIBIT E****SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****EXPENSE DETAIL****FOR THE PERIOD JULY 1, 2020 TO JULY 31, 2020**

Date	Professional	Expense Type	Expense Detail	Amount
6/17/2020	Kim, Ye Darm	Other	Participate in hearing telephonically via CourtCall.	\$ 70.00
		<b>Other Total</b>		<b>\$ 70.00</b>
		<b>Grand Total</b>		<b>\$ 70.00</b>